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STATE FOR WHA/CAN AND EEB/CIP STATE PLEASE PASS USTR FOR MELLE, SULLIVAN, AND HINCKLEY

E.O. 12958: N/A TAGS: <u>ETRD</u> <u>ECPS</u> <u>CA</u>

SUBJECT: SECTION 1377 TELECOM REVIEW: CANADA

REF: STATE 4730

(SBU) On February 4 Econoff discussed reftel points with Allan MacGillivray, Director of Industry Framework Policy, Telecommunications Policy Branch, Industry Canada.

MacGillivray stated Canada chooses not to participate in or offer comment for the 1377 process but that he is happy to discuss Canada's telcom policy. He said that the Government of Canada has not yet announced which recommendations from the "Compete to Win" report (referenced in the industry submissions) - including the recommendation to ease foreign ownership restrictions for the telecommunication industry - the Government will seek to implement. MacGillivray noted that the federal budget, which was introduced last week, made reference to the Government's intent to respond to this report. MacGillivray explained that he sees this reference within the budget as evidence of the Government's intent to issue a response "sooner rather than later".

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